

EFL EDUCATIONAL MATERIALS



MARKET OVERVIEW

Spain remains one of the fastest growing of the EU's larger economies and is also one of the ten largest economies in the world. As with most industrialized countries, there is a strong awareness of the need to be prepared to meet the opportunities and challenges that a globalizing world economy and the European Union offer. With Spain's accession to the EU in 1986, the need for improved language capability became all the more apparent. Increased institutional emphasis on the importance of foreign language capabilities has also helped increase awareness of this need.

A recent survey indicated that only 23 percent of all young Spaniards claim to be comfortable with their level of English. Although this percentage is higher than that of the general population (only two out of every ten Spanish citizens possess a workable knowledge of a foreign language it demonstrates the lack of foreign language capability in Spain. It also demonstrates the opportunity for growth in this market due to the increasing need to and interest in acquiring these capabilities, especially through new media and modern instruction techniques.

Language Training

Foreign languages are taught in Spain at all educational levels, and language training is compulsory from the age of 8 and continues until the end of Upper Secondary Education (Bachillerato). Starting at age 12 (Lower Secondary Education), a second foreign language is offered all through Secondary Education by all schools as an option. English is the language chosen by the majority of the students as a compulsory subject. French is the preferred optional subject. Although foreign languages are not obligatory for pre-school and kindergarten (up to age 6), in 1996 the Ministry of Education introduced foreign languages as a pilot program in selected public schools in different regions of the country. The initiative was very well accepted and a high 90 percent of the children participating in this pilot program studied English.

In some regions, local governments have implemented even more advanced foreign language plans in the public system, such as having second language learning compulsory for pre-school (3-6) and having children from 8 onwards take one of the regular subjects using a foreign language. English is the predominant language chosen for both activities. Many private schools also include English in the pre-school cycles.

The *Escuelas oficiales de Idiomas* (Official schools of Languages) are a parallel and important public venue for the study of foreign languages in Spain. There are 199 of these schools in Spain with approximately 310,000 registered students. These schools are intended to provide students with a basic command, both written and oral of the language chosen. The main program lasts for

three years (360 class hours). The schools also have an advanced two-year course. The distance-learning program *That's English*, a BBC 32-hour television series, offers the content of this cycle. The Ministry of Education, in cooperation with TVE (TV2), organized the program. The initiative counted on sponsorship from the BBVA, Spain's second largest banking group.

General Statistics

Population (as of 2004): 43.2 million

Male 21.3 million Female 21.9 million

Source: Spanish Institute of Statistics (INE)

Education: 2004-2005

 Preschool/Kindergarten (to 5 years)
 1,419,307

 Primary (6 – 11 years)
 2,494,598

 Special Education
 29,283

 High School (12 – 18 years)
 2,508,476

 Technical School
 516,504

 University (18 – 22/24 years)
 1, 462,771

Source: Spanish Ministry of Education (MEC))

Spanish Book Sector

The book sector ranks fifth in the world and third in Europe right after the United Kingdom and Germany and is valued at around \$ 3 billion. Approximately, 16% of the 65,000 books published annually – over 10,000 titles – are textbooks. Exports from Spain are estimated to be in the \$450 million range. Imports are estimated at between \$130 - \$150 million and have not varied much over the last five years.

The EFL segment of this sector is estimated to be approximately \$ 172 million.

The United Kingdom is the main supplier of imports (54%), followed by France, Germany, The Netherlands, Italy and the U.S. The U.S. share is approximately 2%. Most of the imported books from the United Kingdom are EFL textbooks.

There are approximately 5,175 book distributors in Spain, most of which are small companies employing an average of 4 employees. The book distribution sector is reported at \$ 2.9 billion and \$ 3.3 billion in 2004. Growth for 2005 is estimated at 4.5%. The segment that shows highest growth is textbooks, followed by scientific and technical books, children books and literature. The main retail channels are bookshops/bookshop chains, marketing 50% of total sales, followed by department stores (10.7%). Internet sales have grown fast in recent years (averaging growth of 45% annually in the last 3 years) but are still far from the traditional channels in total numbers.

English Textbooks in Spain

Originally the Ministry of Education had a supervisory competence over all textbooks used at Spanish schools. The Ministry used to publish a yearly listing (by discipline and course) of all "authorized" textbooks. Teachers could only use textbooks included in that list. After 1990, this authority was delegated to the Autonomous Communities. However, as a result of a change in the education law, the curriculum department within each school can now select the textbooks to be used at the classroom. The key person in this decision-making process is the department head. The law also provides that the selection of textbooks can only be changed every four years.

As shown above, Britain dominates the Spanish EFL market. The British Council and its partners have been extremely active in Spain for many years. Courses, seminars, etc., have been organized consistently over the years and this promotional effort has paid tremendous dividends.

A review of the EFL textbooks for three public schools located in different parts of the country showed that *Burlington Books*, *The Cambridge Secondary English Course*, *Oxford Exchange* and *Longman* are the most frequently used. See also the links to the Official Language School (Escuela Oficial de Idiomas) in Madrid and in a city in Galicia, in the north west of the country: the main Madrid Escuela Oficial de Idiomas and the Escuela Oficial de Idiomas of Monforte de Lemos. The presence of British publications is overwhelming. This situation is similar throughout the country. Santillana, one of the leading Spanish publishers of textbooks, uses *Richmond* for its EFL division.

E-Learning

In Spain, only 0.7% of the country's salary expenditure is devoted to continuing education programs; this figure is far below that of many neighboring countries and that of the U.S. The Elearning sector is estimated at \$ 370 million. It represents only 4 percent of corporate training, reaching 5.5 percent in the larger corporations. Within E-learning, language training accounts for 16% of the market.

TRENDS

- Changes in the Spanish economy are reflected throughout society. Young Spaniards are more outgoing than previous generations and consider themselves part of a multilingual society.
- The educational system in Spain has been undergoing slow but constant changes for several years. Reforms have been made in the curricula, and the study of foreign languages now starts earlier and is compulsory. There is a strong demand for supplementary materials.

- The EU continues to actively support the study of languages. The scope of the agreement between the British Council and the Madrid Regional Educational Authorities to convert 50 schools into bilingual entities has also opened up a window of opportunity.
- The growing number of multinational corporations with a presence in Spain has also been a decisive factor in the increased interest in studying foreign languages. Spanish executives have now replaced foreign executives in senior management positions in the majority of multinationals. However, this shift in management strategy means that not only the actual senior executives but also younger aspiring executives need to acquire a good command of languages other than Spanish. Furthermore, company strategies are often Europe-wide and Spanish executives must now be prepared to face competition from their European colleagues and must possess not only a good academic/technical education but also be fluent in foreign languages, primarily English.
- The importance being attached to English in the academic field is reflected in the decision by some of the leading business schools to offer their selected Masters Programs entirely in English.
- There is a sensation of frustration among Spanish language teachers. Despite the amount of time spent teaching languages, the results for the most part are disappointing. Teachers are open to using new material. However, companies interested in entering the market have to be willing to adapt their material to local content and standards. Likewise, new players have to be prepared to devote the time and resources to acquire an in-depth knowledge of the market in order to identify areas of opportunity and to undertake aggressive promotional campaigns to create awareness and educate teachers and students alike.
- Children are being introduced to educational software at a far earlier age than in the past. This segment is growing as a result of present-day parents being more computer-oriented than those of previous generations. Products such as *Baby Einstein*, *Ki-Kinds*, *Music for Babies* and *So Smart*, and the Walt Disney Company's "*Magic English*" are available to introduce infants to music, reading, nature, art and English language learning.
- Spain has been strongly urged by the EU to drastically increase investment in continuing education. From a corporate standpoint, there's good potential for growth in the sector. Although only 10- 20 percent of training courses in Spain currently use E-learning resources, it is predicted that within the next few years this will grow to 30%. The language segment within E-learning is expected to maintain its current strong position.
- Industry sources have identified a tendency to outsource in this area. This is due to the availability of good ASP solutions, a better-defined demand on the part of the companies; improvement in networks and increased use of Internet. Likewise, a decrease in the development of in-company platforms has also been detected, while the concept of multiplatforms is starting to emerge. The demand for blended learning projects, including for language training, is on the rise.

Home Study

Apart from studying languages at school, university or official language institutes, distance and home learning of languages is quite popular. Although multiple products exist, the most popular brands are marketed by a small group of companies. These companies have invested heavily in marketing campaigns to create brand awareness. Among the most popular brands are: "Home English"; "Learn English in a 1000 Words" (Maurer Method); New BBC English Multimedia System, English-to-Go Ltd., and Rosetta Stone.

Language Institutes

Many Spaniards also attend private language institutes, the younger ones to supplement language training at school, the older ones to improve their knowledge either for work or for personal reasons. For the most part, the textbooks indicated above are also used at these schools. However, a spate of closures by some of the leading entities has generated serious reservations regarding the reliability and seriousness of this method.

COMPETITION

As indicated earlier in this report, the main competitors are the British. This is due to multiple factors:

- when Spaniards first started to study English seriously and travel abroad to improve their command of the language, they did so to England and Ireland because of proximity;
- the majority of native English-language teachers in Spain were originally British and Irish;
- the Spanish Ministry of Education has been collaborating closely for many years with the British Council;
- independently, the British Council and its partners have been very active in creating awareness for the language and facilitating the tools needed to study English. They provide a wealth of information and guidance for students, for professionals interested in developing their career in EFL training, and for individuals who are interested in setting up language academies. The teachers and the language training entities set up under the guidance of the Council have naturally used the products and services recommended by the Council and its partners, e.g. British publishing houses and educational entities. Just one example of the results of such an allout and constant pro-active approach is the recent agreement between the Madrid Regional Government and the British authorities whereby Britain is the main partner for a bilingual study program to be implemented this coming academic year in almost 50 schools throughout the Madrid Region.

The U.S. share in teaching and providing supporting materials in this lucrative market has been minimal. However, demand for, and interest in, U.S. English exist, and it is up to U.S. firms to

invest the resources necessary to gain a foothold in this interesting market. The only U.S. publishing firm located in Spain, <u>McGraw-Hill</u>, started to focus on the EFL sector just over a year ago. The company has found the market to be very competitive but open to new players.

END USERS

Students at all levels, teachers, service providers, and professional and technical workers.

MARKET ACCESS

The best way to increase the use of textbooks and audio-visual materials is for U.S. publishing firms to aggressively pursue the market. An on-site presence is highly desirable. Entering the market may imply adjusting some of the U.S. products to local standards and content. It also means investing heavily in resources to facilitate major promotional campaigns to educate teachers and students alike and to create market awareness and brand image. For companies with audio-visual products that are not linked to school textbooks, an option is to create market awareness for the product either directly via massive publicity campaigns on radio, press and TV and to be prepared to invest in supporting infrastructure, or to sign agreements with local entities that are already leaders in the sector.

For the E-learning segment, in order to make inroads into the market and get a good return on investment, having good content and establishing alliances with the major players in the sector are important factors. From the technological aspect, the competitive factors are reliability, price, delivery, and technical and educational support. U.S. companies have an advantage in this competitive market given their technical know-how and experience, as well as the broad range of products and services offered. Subcontracting is quite common. In addition to technology, the business-to-business market requires a high level of service and face-to-face consulting. Although English is the dominant language on the Net, not everybody is fluent in English. This is another reason for smaller and medium-sized companies to consider teaming up with a Spanish counterpart to develop a market access strategy.

KEY CONTACTS

Ministry of Education

www.mec.es

http://www.mec.es/mecd/jsp/plantilla.jsp?area=organizacion&id=881

FANDE – Federación de Asociaciones Nacionales de Distribuidores de Ediciones fande@fande.es

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AETIC

(Spanish ICT Association)

Aetic@aetic.es http://www.aetic.es

AITE – Asociación de Industrias Técnicas del Audiovisual Español

(Spanish Association of Audiovisual Technical Industries)
Comunicación@aite.es
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AEFOL (Spanish Online Learning Association)

Jose Lozano, Director General info@aefol.com
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Upcoming Fairs

Expodidactica (Educational Materials Fair)

Barcelona, Spain FIRA Barcelona Fairgrounds March 23-25, 2006 www.firabcn.es

Other

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